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*This announcement, for which the directors (the “Director(s)”) of Max Sight Group Holdings Limited (the “Company”), together with its subsidiaries, the “Group” or “We”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **Max Sight Photo 名仕快相**

### **Max Sight Group Holdings Limited 名仕快相集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8483)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2022**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

## HIGHLIGHTS

- The Group's revenue decreased by approximately HK\$327,000, from approximately HK\$4,430,000 for the three months ended 31 March 2021 to approximately HK\$4,103,000 for the three months ended 31 March 2022. For the three months ended 31 March 2022, revenue in photography services amounted to approximately HK\$2,393,000 (for the three months ended 31 March 2021: HK\$4,430,000), which represent a decrease of approximately 45.98%. For the three months ended 31 March 2022, revenue in medical services business amounted to approximately HK\$1,710,000 (for the three months ended 31 March 2021: nil), the Group commenced medical services business by operating medical centres in Hong Kong starting from October 2021.
- The Group's gross loss amounted to approximately HK\$901,000 and gross profit amounted to approximately HK\$421,000 for the three months ended 31 March 2022 and 2021 respectively, representing gross loss margin of approximately 21.96% and gross profit margin of approximately 9.50% respectively.
- The loss attributable to owners of the Company increased by approximately HK\$2,062,000, from approximately HK\$1,673,000 for the three months ended 31 March 2021 to approximately HK\$3,735,000 for the three months ended 31 March 2022. The loss attributable to equity shareholders of the Company increased mainly due to (i) the increase in gross loss mainly attributable to the fifth wave of the COVID-19 pandemic in Hong Kong; and (ii) the increase in administrative expenses due to the increase in staff cost and director remuneration which is in line with the medical services business commenced in Hong Kong starting from October 2021, during the three months ended 31 March 2022.
- The Directors do not recommend the declaration of any interim dividend for the three months ended 31 March 2022.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 31 March 2022 (the “**Reporting Period**”) together with the relevant comparative figures as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022**

	NOTES	For the three months ended 31 March	
		2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Revenue	3	4,103	4,430
Cost of services		(5,004)	(4,009)
Gross (loss)/profit		(901)	421
Other income		1,313	1,018
Other net gains		29	75
Administrative expenses		(4,173)	(3,130)
Loss from operations		(3,732)	(1,616)
Finance costs		(131)	(76)
Loss before taxation		(3,863)	(1,692)
Income tax	4	(1)	19
Loss for the period		<u>(3,864)</u>	<u>(1,673)</u>
Attributable to:			
Equity shareholders of the company		(3,735)	(1,673)
Non-controlling interest		(129)	–
Loss for the period		<u>(3,864)</u>	<u>(1,673)</u>
Other comprehensive income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of subsidiary outside Hong Kong		(45)	5
Total comprehensive income for the period		<u>(3,909)</u>	<u>(1,668)</u>
Attributable to:			
Equity shareholders of the company		(3,780)	(1,668)
Non-controlling interest		(129)	–
Total comprehensive income for the period		<u>(3,909)</u>	<u>(1,668)</u>
Loss per share (Hong Kong cents)			
— Basic and diluted	6	<u>(0.47)</u>	<u>(0.21)</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Attributable to equity shareholders of the Company						Non- Controlling interest	Total equity
	Share capital	Share premium	Translation reserve	Other reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2021 (audited)	8,000	53,083	(882)	(5,664)	(12,138)	42,399	–	42,399
Loss for the period	–	–	–	–	(1,673)	(1,673)	–	(1,673)
Other comprehensive income	–	–	5	–	–	5	–	5
Total comprehensive income	–	–	5	–	(1,673)	(1,668)	–	(1,668)
At 31 March 2021 (unaudited)	<u>8,000</u>	<u>53,083</u>	<u>(877)</u>	<u>(5,664)</u>	<u>(13,811)</u>	<u>40,731</u>	<u>–</u>	<u>40,731</u>
At 1 January 2022 (audited)	<b>8,000</b>	<b>53,083</b>	<b>(1,089)</b>	<b>(5,664)</b>	<b>(19,546)</b>	<b>34,784</b>	<b>(242)</b>	<b>34,542</b>
Loss for the period	–	–	–	–	(3,735)	(3,735)	(129)	(3,864)
Other comprehensive income	–	–	(45)	–	–	(45)	–	(45)
Total comprehensive income	–	–	(45)	–	(3,735)	(3,780)	(129)	(3,909)
Capital contribution from non-controlling shareholder	–	–	–	–	–	–	5	5
At 31 March 2022 (unaudited)	<u><b>8,000</b></u>	<u><b>53,083</b></u>	<u><b>(1,134)</b></u>	<u><b>(5,664)</b></u>	<u><b>(23,281)</b></u>	<u><b>31,004</b></u>	<u><b>(366)</b></u>	<u><b>30,638</b></u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2022

## 1. GENERAL

Max Sight Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares (the “**Shares**”) are listed on GEM of the Stock Exchange on 28 February 2018. Its ultimate and immediate holding company is Causeway Treasure Holding Limited (“**Causeway Treasure**”), an entity incorporated in the British Virgin Islands (the “**BVI**”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business in Hong Kong is 14th Floor, McDonald’s Building, 48 Yee Wo Street, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as the “**Group**”) are principally engaged in (i) provision of photography services through automatic identity documentation (“**ID**”) photo booths at different locations in Hong Kong and Guangdong Province, the People’s Republic of China (the “**Mainland China**”); and (ii) provision of medical services starting from October 2021 by operating medical centres in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION AND PRESENTATION OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the three months ended 31 March 2022 and 2021 have been prepared on the historical cost basis and in accordance with the following accounting policies which conform with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the unaudited condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the independent auditor’s report in annual report of the Company dated 18 March 2022, except for the adoption of the new revised standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the current period of the financial statements.

In the application of the Group’s accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The condensed consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the audit committee of the Company (the "Audit Committee").

### 3. REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

The principal activities of the Group are (i) provision of photography service through automatic ID photo booths at different locations in Hong Kong and Guangdong Province, Mainland China and (ii) provision of medical services starting from October 2021 by operating medical centres in Hong Kong. Revenue represents the fair value of amounts received and receivable from provision of photography service and medical service by the Group to external customers, net of sales returns.

Disaggregation of revenue from contracts with customers by major service lines is as follow:

	<b>For the three months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from contracts with customers</b>		
<b>within the scope of HKFRSs 15</b>		
Disaggregation by major service lines		
Photography service income	<b>2,393</b>	4,430
Medical service income	<b>1,710</b>	–
	<b>4,103</b>	4,430

## (b) Segment Reporting

The Group manages its business by services and geography. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified the following three (for the three months ended 31 March 2021: two) reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Photography services in Hong Kong
- Photography services in Mainland China
- Medical services in Hong Kong

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive Directors monitor the results to each reportable segment on the following bases:

Reportable segment profit represents profit before taxation by excluding head office and corporate expenses.

Information regarding the Group's reportable segments as provided to the executive Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance for the year is set out below:

### Segment results

	For the three months ended 31 March						
	2022				2021		
	Photography services		Medical	Consolidated	Photography services		
	Hong Kong	Mainland	services		Hong Kong	Mainland	Consolidated
Hong Kong	China	Hong Kong	Consolidated	Hong Kong	China	Consolidated	
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Revenue	2,121	272	1,710	4,103	4,074	356	4,430
Reportable segment (loss)/profit	(483)	953	(1,726)	(1,256)	1,028	132	1,160
Head office and corporate expenses				(2,607)			(2,852)
Loss before tax				(3,863)			(1,692)
Interest income				1			1
Finance costs	(43)	(32)	(56)	(131)	(35)	(41)	(76)
Depreciation	(1,351)	(133)	(941)	(2,425)	(1,878)	(12)	(1,890)

## Geographical Information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided.

	Revenue	
	For the three months ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong (place of domicile)	3,831	4,074
Mainland China	272	356
	<u>4,103</u>	<u>4,430</u>

For the three months ended 31 March 2022 and 2021, no single customer accounted for 10% or more of the Group's total revenue.

## 4. INCOME TAX

	For the three months ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Current tax — Hong Kong Profits Tax</b>		
Provision for the period	—	—
	—	—
<b>Deferred Tax</b>		
Origination and reversal of temporary differences	(1)	19
	<u>(1)</u>	<u>19</u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the group companies sustained a loss for tax purposes during the three months ended 31 March 2022 and 2021.

Under the Law of the Mainland China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Mainland China subsidiary is 25% for the relevant periods. No provision for Mainland China income tax has been made in the consolidated financial statements as the Group sustained a loss for tax purposes during the three months ended 31 March 2022 and 2021.

Mainland China tax law also imposed a withholding tax at 5%, unless reduced by a treaty or agreement, for dividend distributed by a PRC-resident enterprise to its immediate holding company outside Mainland China for earnings generated beginning on 1 January 2008.

Undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. Provision for withholding tax is recognised for the dividends that have been declared and deferred tax liability is recognised for those to be declared in the foreseeable future. The Group did not recognise any withholding tax for the relevant periods.

## **5. DIVIDEND**

The Directors did not recommend any interim dividend for the three months ended 31 March 2022 and 2021.

## **6. LOSS PER SHARE**

### **(a) Basic loss per Share**

The calculation of basic loss per Share is based on the loss attributable to equity shareholders of the Company of HK\$3,735,000 and HK\$1,673,000 and the weighted average number of ordinary shares in issue of 800,000,000 and 800,000,000 for the three months ended 31 March 2022 and 2021 respectively.

### **(b) Diluted loss per Share**

There were no diluted potential Shares in existence during the relevant periods.

## **7. EVENTS AFTER REPORTING PERIOD**

The outbreak of the COVID-19 pandemic was continuing since early 2020 which was challenging to the photography services business and medical services business. The Group has been closely monitoring the impact of the developments on the Group's businesses and has implemented contingency measures. As far as the Group's businesses are concerned, the outbreak of the COVID-19 pandemic has materially and adversely impacted on the Group's financial performance and business development.

As the development and spread of the COVID-19 pandemic subsequent to the date of this announcement is uncertain, further changes in economic conditions for the Group arising thereof may have further impact on the financial results of the Group, the extent of which could not be estimated as at the date of this announcement. The Group will keep continuous attention on the situation of the COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

We are principally engaged in (i) provision of photography services through automatic ID photo booths at different locations in Hong Kong and Guangdong Province, Mainland China; and (ii) provision of medical services, starting from October 2021 by operating medical centres in Hong Kong.

#### **Photography services business**

As the development and spread of COVID-19 pandemic is uncertain since early 2020, further changes in economic conditions for the Group arising thereof may have further impact on the financial results of the Group.

The sluggish revenue in photography services was mainly due to the fifth wave of the COVID-19 pandemic and the immigration control during the three months ended 31 March 2022 that have further brought the significant decrease in the travel demand, and led to a low demand of ID photos for the three months ended 31 March 2022. Also, our licensed sites have been temporarily closed or reduced the business hours frequently due to the fifth wave of the COVID-19 pandemic in Hong Kong during the three months ended 31 March 2022. With the introduction of vaccines and the increasing vaccination rate in Hong Kong and Mainland China, we consider that the situation of COVID-19 pandemic in Hong Kong and Mainland China will slowly improve in 2022. Hence we consider that the decrease in the demand of ID photos during the three months ended 31 March 2022 is temporary and the demand of ID photos will rise in the foreseeable future.

The Group will keep continuous attention on the situation of the COVID-19 pandemic and react proactively to mitigate its impact on the financial position and operating results of the Group. The Group will continually reassess the profitability on each photo booth locations and relocate the photo booths accordingly. During the three months ended 31 March 2022, the Group has early terminated a lease agreement in relation to the photo booth licensed sites which incurred sluggish performance, the Group consider the terminating on the lease agreement is a prudent move for the Group to control its costs.

Due to the outbreak of the COVID-19 pandemic, the continuous changes in the government policy for ID photos in the Mainland China and the business in the Mainland China and Hong Kong was adversely impacted by macro headwinds and uncertainty, we have taken time to reassess the existing projects including expansion of network of automatic ID photo booths and upgrading of validation centre and IT infrastructure and their implementation timetable. The meetings and the on-going schedules with our business partners and vendors are also postponed during the three months ended 31 March 2022 and up to the date of this announcement.

In order to continue our business development, we are researching different potential projects with regards to our photography services business. Upgrading our business model by allocating further funds and resources in the IT infrastructure to achieve diversifiable development of our core business could be a new direction for the Group in the future.

### **Medical services business**

Due to the increasing health awareness from the public and the outbreak of COVID-19 pandemic since early 2020 in Hong Kong, we consider the demand on high-quality medical services will increase steadily. We are committed to promote the awareness of healthcare and provide high quality medical services to our patients. The Group has commenced medical services business in Hong Kong since October 2021.

As at the date of this announcement, we have been operating five medical centres in Hong Kong to develop our medical services business. In addition, the Group has also launched outreach vaccination services to provide the general public with flexible and convenient vaccination channels. During the three months ended 31 March 2022, the Group provided a number of the outreach on-site vaccination events to the general public in Hong Kong. The Group is currently recruiting and identifying suitable medical practitioners and premises to further expand its medical services business. We aim to further expand the medical network in Hong Kong by the end of 2022.

We are committed to strengthen our existing core business and shall continue to capture market opportunities. We will continue to conduct research and explore new business opportunities for future development and further expansion in order to develop a diversified business and broaden its revenue base, so as to achieve sustainable business growth and to create values and enhance long-term benefits for the Shareholders.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue decreased by approximately HK\$327,000, from approximately HK\$4,430,000 for the three months ended 31 March 2021 to approximately HK\$4,103,000 for the three months ended 31 March 2022. For the three months ended 31 March 2022, revenue in photography services amounted to approximately HK\$2,393,000 (for the three months ended 31 March 2021: HK\$4,430,000), which represent a decrease of approximately 45.98%. The decrease was mainly due to the fifth wave of the COVID-19 pandemic and the immigration control in Hong Kong during the three months ended 31 March 2022 that have brought significant reduction in the travel demand, and to a low demand of ID photos for the three months ended 31 March 2022. Also, our licensed sites have been temporarily closed or reduced the business hours frequently due to the fifth wave of the COVID-19 pandemic in Hong Kong during the three months ended 31 March 2022. For the three months ended 31 March 2022, revenue in medical services business amounted to approximately HK\$1,710,000 (for the three months ended 31 March 2021: nil), the Group commenced medical services business by operating medical centres in Hong Kong starting from October 2021.

### **Cost of services**

The Group's cost of services increased by approximately HK\$995,000, from approximately HK\$4,009,000 for the three months ended 31 March 2021 to approximately HK\$5,004,000 for the three months ended 31 March 2022. The increase was mainly due to the increasing in (i) staff costs in relation the frontline staff; (ii) medical practitioners' fee; (iii) pharmaceutical supplies; and (iv) depreciations. Such increasing are in line with the medical service business commenced in Hong Kong starting from October 2021.

### **Gross loss/profit and gross loss/profit margin**

The Group's gross loss amounted to approximately HK\$901,000 for the three months ended 31 March 2022 and the Group's gross profit amounted to approximately HK\$421,000 for the three months ended 31 March 2021, representing gross loss margin of approximately 21.96% and gross profit margin of approximately 9.50%, the gross loss was mainly due to the sluggish revenue and the increase in the cost of services for the three months ended 31 March 2022.

### **Other income**

Other income mainly represented net gains on early termination of lease and COVID-19 pandemic related rental concessions received. The increase in other income for the three months ended 31 March 2022 was mainly due to increase in net gains on early termination of lease.

### **Other net gains**

Other net gains mainly represented net exchange gains of approximately HK\$29,000 and HK\$75,000 for the three months ended 31 March 2022 and 2021 respectively.

### **Administrative expenses**

The Group's administrative expenses increased by approximately HK\$1,043,000, from approximately HK\$3,130,000 for the three months ended 31 March 2021 to approximately HK\$4,173,000 for the three months ended 31 March 2022. The increase was mainly attributable to the increase in staff cost and director remunerations which is in line with medical services business commenced in Hong Kong starting from October 2021.

### **Finance costs**

Finance costs represented interest on lease liabilities of approximately HK\$131,000 and HK\$76,000 for the three months ended 31 March 2022 and 2021 respectively.

### **Income tax**

Income tax credit amounted to approximately HK\$1,000 and income tax expenses accounted to approximately HK\$19,000 for the three months ended 31 March 2022 and 2021 respectively.

## **Loss attributable to equity shareholders of the Company**

The loss attributable to equity shareholders of the Company increased by approximately HK\$2,062,000, from approximately HK\$1,673,000 for the three months ended 31 March 2021 to approximately HK\$3,735,000 for the three months ended 31 March 2022. The loss attributable to equity shareholders of the Company increased mainly due to (i) the increase in gross loss mainly attributable to the fifth wave of the COVID-19 pandemic in Hong Kong; and (ii) the increase in administrative expenses due to the increase in staff cost and director remunerations which is in line with the medical services business commenced in Hong Kong starting from October 2021, during the three months ended 31 March 2022.

## **Segment reporting**

An analysis of the Group's segment performance for the three months ended 31 March 2022 and 2021 is set out in note 3 to the unaudited condensed consolidated financial statements of this announcement.

## **Share capital**

As at the date of the listing on GEM of the Stock Exchange on 28 February 2018 (the "**Listing Date**"), the authorised share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 Shares of par value HK\$0.01 each and the issued share capital of the Company was HK\$8,000,000 divided into 800,000,000 Shares of par value HK\$0.01 each. The share capital of the Company only comprises of ordinary Shares. There has been no change in the share capital of the Company since then.

## **Employees and emolument policy**

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices. As at 31 March 2022, the Group has 51 workers (as at 31 March 2021: 41 workers).

## **Liquidity and capital resources**

Our use of cash primarily related to operating activities and capital expenditure. We finance our operations through cash flows generated from our operations. As at 31 March 2022, the Group did not have any interest-bearing borrowings and therefore the gearing ratio is not applicable to the Group.

In managing our liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of unexpected fluctuations in cash flows, sufficient bank and cash balance. The Group has built an appropriate liquidity risk management framework for the management of its short, medium and long-term funding and liquidity management requirements. We regularly monitor the repayment dates of financial liabilities, for example other payables and accrued charges, to match with financial resources available to us from time to time. The Group manages liquidity risk by maintaining adequate financial resources, including existing cash and bank balances and operating cash flows.

## **Foreign exchange risk management**

The Group is exposed to currency risk primarily through cash and bank balances that are denominated in United States dollars (“USD”) and Renminbi held by Hong Kong entities. And the Group derives its revenue, makes purchases and incurs expenses denominated mainly in Renminbi and HK\$. Foreign currency exposure to USD is insignificant, as the HK\$ is pegged to the USD. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group’s exchange rate risks. The management considers that the exchange rate of Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China Government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

## **Significant investments held, future plans for material investment and capital assets**

As at 31 March 2022 and 2021, the Group did not make any significant investments, future plans for material investment and capital assets.

## **Material acquisitions and disposals of subsidiaries, associates and joint ventures**

As at 31 March 2022 and 2021, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

## **Pledge of assets**

As at 31 March 2022 and 2021, the Group had no pledge of assets.

## **Contingent liabilities**

As at 31 March 2022 and 2021, the Group did not have any significant contingent liabilities.

## **Subsequent events**

The information is set out in note 7 to the unaudited condensed consolidated financial statements of this announcement.

## **Dividends**

The information is set out in note 5 to the unaudited condensed consolidated financial statements of this announcement.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the three months ended 31 March 2022, the Company has complied with all applicable code provisions of the CG Code.

### **COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors’ securities transactions in the securities of the Company. Having made specific enquiries of all the Directors, each of the Director has confirmed that he has complied with the required standard of dealings during the three months ended 31 March 2022.

### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

During the three months ended 31 March 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 March 2022, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### **1. Interests/short positions in the Shares of the Company**

<b>Name of Directors/ chief executive</b>	<b>Capacity/nature of interest</b>	<b>Number of Shares</b>	<b>Long/short position</b>	<b>Approximate percentage of total number of issued Shares</b>
Mr. Chan Wing Chai, Jamson	Interest in a controlled corporation <sup>(1)</sup>	427,600,560	Long	53.45%
Mr. Chan Tien Kay, Timmy	Interest in a controlled corporation <sup>(1)</sup>	427,600,560	Long	53.45%
Mr. Cheung Kam Ting	Beneficial owner	62,426,940	Long	7.80%

*Note:*

- (1) The disclosed interest represents the interest in the Company held by Causeway Treasure which is in turn approximately 47.25% owned by Mr. Chan Wing Chai, Jamson, approximately 47.25% owned by Mr. Chan Tien Kay, Timmy and approximately 5.5% owned by Ms. Au-Yeung Ying Ho. By virtue of the SFO, Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy are deemed to be interested in the Shares held by Causeway Treasure.

## 2. Interests/Short Positions in the Shares or Debentures of the Associated Corporations of the Company

Name of Directors	Name of associated corporation	Capacity/ nature of interest	Number of Shares	Long/short position	Approximate shareholding percentage in the relevant Shares in the associated corporation
Mr. Chan Wing Chai, Jamson	Causeway Treasure	Beneficial owner <sup>(1)</sup>	427,600,560	Long	47.25%
Mr. Chan Tien Kay, Timmy	Causeway Treasure	Beneficial owner <sup>(1)</sup>	427,600,560	Long	47.25%

*Note:*

- (1) The disclosed interest represents the interest in Causeway Treasure, the associated corporation which is approximately 47.25% owned by Mr. Chan Wing Chai, Jamson and approximately 47.25% owned by Mr. Chan Tien Kay, Timmy, with the remaining interest held as to approximately 5.5% by Ms. Au-Yeung Ying Ho.

Save as disclosed above, as at 31 March 2022, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2022, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/ nature of interest	Number of Shares	Long/short position	Approximate percentage of shareholding in the Company
Causeway Treasure	Beneficial owner <sup>(1)</sup>	427,600,560	Long	53.45%
Ms. Au-Yeung Ying Ho	Interest in a controlled corporation <sup>(2)</sup>	427,600,560	Long	53.45%
Photo-Me International Plc.	Beneficial owner	109,972,500	Long	13.75%

*Notes:*

- (1) The disclosed interest represents the interest in the Company held by Causeway Treasure which is in turn approximately 47.25% owned by Mr. Chan Wing Chai, Jamson, approximately 47.25% owned by Mr. Chan Tien Kay, Timmy and approximately 5.5% owned by Ms. Au-Yeung Ying Ho.
- (2) On 7 July 2017, Mr. Chan Wing Chai, Jamson, Ms. Au-Yeung Ying Ho and Mr. Chan Tien Kay, Timmy executed the deed of confirmation, whereby they have confirmed their acting in concert arrangements in the past, as well as their intention to continue to act in the above manner (as long as he/she remains as a Shareholder) upon listing to consolidate their control over the Group until and unless the deed of confirmation is terminated in writing. By virtue of the SFO, Ms. Au- Yeung Ying Ho is deemed to be interested in the Shares held by Causeway Treasure.

Save as disclosed above, as at 31 March 2022, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## **SHARE OPTION SCHEME**

The share option scheme of the Company (the “**Share Option Scheme**”) was adopted pursuant to a written resolution by the Shareholders on 8 February 2018. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the three months ended 31 March 2022 and there was no outstanding share option as at the date of this announcement.

## **DIRECTORS’, CONTROLLING SHAREHOLDERS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS**

During the three months ended 31 March 2022, an associate of Mr. Riccardo Costi, a non-executive Director had interests in Dedem S.P.A. and its subsidiaries which are principally engaged in automatic ID photo booths operation and provision of auxiliary services to photo booths operation in Europe. As such, Mr. Riccardo Costi is regarded as having interests in the business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

The Directors are aware of their fiduciary duties and will act honestly and in good faith in the interests of the Company and the Shareholders and will avoid any potential conflicts of interests. For the three months ended 31 March 2022, the Board was comprised of eight Directors, including three independent non-executive Directors and all of them are Audit Committee members, so that the interests of the Shareholders can be properly maintained.

The Company is, therefore, capable of carrying on its businesses independently of, and at arm’s length from, the businesses in which Mr. Riccardo Costi has declared interests.

Apart from the above-mentioned, during the three months ended 31 March 2022, the Directors including the independent non-executive Directors, are not aware of any business or interest of the Directors, controlling shareholders, substantial shareholders, the management of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

## AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditor of the Company; and the Company's financial reporting system, risk management and internal control systems. The Audit Committee comprises three members, namely Mr. Ngai James (chairman), Mr. Hui Chi Kwan and Mr. Kwok Tsun Wa, all of them are independent non-executive Directors. The unaudited condensed consolidated results and the quarterly report of the Group for the three months ended 31 March 2022 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited consolidated results of the Group for the three months ended 31 March 2022 comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and adequate disclosure have been made.

## USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFER

The Company has received the proceeds from the share offer of 200,000,000 shares of the Company (the "Shares") at a price of HK\$0.31 each on 28 February 2018 (the "Listing Date"). The gross proceeds from the share offer amounted to approximately HK\$62,000,000 and the net proceeds was approximately HK\$31,852,000. As at 31 March 2022, approximately HK\$10,546,000 had been utilised, detailed information has been set out in the following table, prospectus of the Company dated 15 February 2018 (the "Prospectus"), the section headed "Use of proceeds from the Company's share offer and change in use of proceeds" in the announcement of the Company dated 10 May 2018 and the announcement of the Company dated 17 January 2022 (the "Announcements").

The use of net proceeds from the share offer is set out as follows:

	Adjusted use of net proceeds as stated in the Announcements (HK\$'000)	Actual utilised net proceeds up to 31 March 2022 (HK\$'000)	Unutilised net proceeds up to 31 March 2022 (HK\$'000)	Expected time of fully use of unutilised net proceeds
Expansion of network of automatic ID photo booths				
— Guangdong Province	24,381	6,652	17,729	31 December 2022
— Hong Kong	471	282	189	31 December 2022
Upgrading of validation centre and IT infrastructure	2,000	903	1,097	31 December 2022
General working capital	5,000	2,709	2,291	31 December 2022
	<u>31,852</u>	<u>10,546</u>	<u>21,306</u>	

The Company is currently exploring certain business opportunities in Guangdong Province and other provinces in the Mainland China and is having on-going discussions with Prestige Technology Company Limited and other operators to pursue the expansion plan of expanding our network of automatic ID photo booths.

Apart from automatic ID photo booth network expansion, we plan to upgrade our IT capability to cope with future business trend and customers demand. We engaged vendors for upgrading our IT infrastructure including but not limited to the telemetry system and e-payment facilities. We are also assessing the feasibility with some vendors to upgrade the validation systems and IT infrastructure in Hong Kong and Mainland China.

Due to the outbreak of the COVID-19 pandemic, continuous changes in the government policy for ID photos in the Mainland China, and the business in Mainland China and Hong Kong was adversely impacted by macroeconomic headwinds and uncertainty, our business developments in Guangdong Province and Hong Kong were delayed during the three month ended 31 March 2022 and up to the date of this announcement. Having monitored and assessed the current impact brought by the above issues, we expect that the future business opportunities and demand for automatic ID photo booths in Guangdong Province may decrease. These factors have rendered the expansion plan of the Group to further penetrate into the automatic ID photo booth market in Guangdong Province which become increasingly challenging. As such, we consider that a more cautious approach in relation to the execution of the Group's expansion plan should be adopted. As a result, as disclosed in the Announcements, our Board has reallocated the use of approximately HK\$5.0 million in the unutilised net proceeds from the original purpose of expansion of network of automatic ID photo booth in Guangdong Province to general working capital, as we believe that this will allow the Group to deploy its financial resources in a more flexible, beneficial and effective way. We will also continuously evaluate, reassess, change or modify the existing plans and explore new business opportunities in view of the latest market condition with an aim to achieve sustainable business growth and to bring long- term benefits for the Shareholders.

As at the date of this announcement, all of the unused proceeds were deposited in licenced banks in Hong Kong.

## LANGUAGE

If there is any inconsistency between the English version of this announcement and the Chinese translation of this announcement, the English version of this announcement shall prevail.

By order of the Board  
**Max Sight Group Holdings Limited**  
**Chan Wing Chai, Jamson**  
*Chairman and Executive Director*

Hong Kong, 6 May 2022

*As at the date of this announcement, the executive Directors are Mr. Chan Wing Chai, Jamson, Mr. Chan Tien Kay, Timmy and Dr. Chan Wing Lok, Brian; the non-executive Directors are Mr. Cheung Kam Ting and Mr. Riccardo Costi; and the independent non-executive Directors are Mr. Ngai James, Mr. Hui Chi Kwan and Mr. Kwok Tsun Wa.*

*This announcement, in both English and Chinese versions, is available on the Company's website at [www.maxsightgroup.com](http://www.maxsightgroup.com).*